United Nations A/62/116

General Assembly

Distr.: General
29 June 2007

Original: English

Sixty-second session
Item 58 (c) of the preliminary list*
Globalization and interdependence:
Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption

Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption

Report of the Secretary-General

Summary

The present report has been prepared pursuant to General Assembly resolution 61/209 of 20 December 2006, entitled "Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption". It gives an account of the first session of the Conference of the States Parties to the United Nations Convention against Corruption, held in Amman from 10 to 14 December 2006, and summarizes ongoing initiatives to coordinate international action against corruption. The report also provides an overview of the efforts made to estimate the scale of corruption and transfers of assets derived from corruption, as well as the impact of corruption on development and economic growth. The report contains a summary of current and prospective initiatives on asset recovery and looks into the role the relevant provisions of the Convention will play in asset recovery practice.

* A/62/50.

V.07-85100 (E) 180707 190707

Contents

		Paragraphs	*Page*
I.	Introduction	1-3	3
II.	United Nations Convention against Corruption	4-11	4
	A. Status of ratification	4	4
	B. Conference of the States Parties to the United Nations Convention against Corruption	5-11	4
III.	Coordinating international action against corruption	12-16	7
	A. Role of the Conference of the States Parties to the United Nations Convention against Corruption	12	7
	B. Efforts to combat corruption made by other organizations	13-16	8
IV.	Magnitude of corruption and of transfers of assets derived from corruption and impact of corruption and such transfers on economic growth and sustainable development	17-19	9
V.	Asset recovery	20-32	11
	A. Impact of the United Nations Convention against Corruption	20-24	11
	B. Current and prospective initiatives on asset recovery	25-32	12
VI.	Conclusions and recommendations	33-35	14

I. Introduction

1. In its resolution 61/209 of 20 December 2006, the General Assembly urged all Member States and competent regional economic integration organizations, within the limits of their competence, to consider ratifying or acceding to the United Nations Convention against Corruption (Assembly resolution 58/4, annex, of 31 October 2003) as a matter of priority; called upon all States parties to fully implement the Convention as soon as possible; requested the Secretary-General to submit to the Assembly at its sixty-second session a report, completed within existing resources, on the implementation of previous resolutions that would elaborate further on the magnitude of corruption at all levels and on any scale, and on the scale of the transfer of assets of illicit origin derived from corruption and the impact of corruption and such transfers on economic growth and sustainable development, taking into account the outcome of, and also transmitting the report on, the first session of the Conference of the States Parties to the Convention; and decided to include in the provisional agenda of its sixty-second session, under the item entitled "Globalization and interdependence", the sub-item entitled "Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption".

2. Pursuant to General Assembly resolution 60/207 of 22 December 2005, a report on preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets to the countries of origin was submitted to the Assembly at its sixty-first session (A/61/177). Other reports on the subject submitted to the Assembly at its fifty-sixth to sixtieth sessions (A/56/403 and Add.1, A/57/158 and Adds. 1 and 2, A/58/125, A/59/203 and Add.1 and A/60/157) had reflected international efforts to combat corruption, as well as the 94 responses received from Member States containing information on domestic legislation and reform plans, institutional arrangements and adherence to relevant international legal instruments.

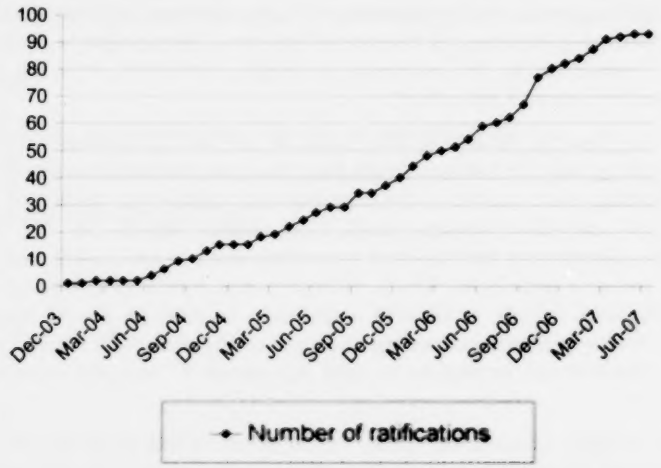
3. The present report contains an update on the status of adherence to the United Nations Convention against Corruption. It reports on the outcome of and follow-up to the first session of the Conference of the States Parties to the United Nations Convention against Corruption and the preparations for its second session. With the future work of the Conference in view, the report also reflects ongoing initiatives to coordinate international action against corruption. It provides information on the attempts and methodologies used to estimate the scale of corruption and on the impact of corruption on development and economic growth and suggests how the implementation of chapter V of the Convention, on asset recovery, could have an impact on efforts to assist in the return of assets derived from corruption. It concludes with recommendations on the way forward.

II. United Nations Convention against Corruption

A. Status of ratification

4. As at 8 June 2007, there were a total of 140 signatories and 93 parties to the United Nations Convention against Corruption (see figure). The rapid and continuing increase in the number of parties to the Convention, after its swift entry into force only two years after being opened for signature, demonstrates that it continues to enjoy strong political commitment from Member States. This is cause for optimism that universal adherence to and full implementation of the first truly global instrument against corruption can be achieved at an early date.

United Nations Convention against Corruption: status of ratification as at 8 June 2007



B. Conference of the States Parties to the United Nations Convention against Corruption

5. Pursuant to article 63 of the Convention, the first session of the Conference of the States Parties was held from 10 to 14 December 2006 in Amman, one year after the Convention had entered into force. The first session was attended by representatives of 54 States parties, 33 signatories, 3 non-signatory States and numerous regional, intergovernmental, international and non-governmental organizations. The Conference was established to promote and review the implementation of the Convention and to provide a platform for dialogue and cooperation among States parties and signatories. At its first session, the Conference adopted its rules of procedure, as well as eight resolutions (see CAC/COSP/2006/12 and A/62/85). It also decided to accept the offer of Indonesia to act as host to its

second session, to be held from 28 January to 1 February 2008 in Bali, Indonesia, preparations for which are advanced.

Follow-up to the first session and road map to the second session

6. In its resolution 1/1, the Conference of the States Parties decided to establish an open-ended intergovernmental expert working group to make recommendations to the Conference at its second session on the appropriate mechanisms or bodies for reviewing the implementation of the Convention. The first meeting of the Working Group will be held in Vienna from 29 to 31 August 2007. The Conference underlined that any such review mechanism should be transparent, efficient, non-intrusive, inclusive and impartial. It should not produce any form of ranking, should provide opportunities to share good practices and challenges, and complement existing international and regional review mechanisms. In order to assist the Conference and its Working Group in reaching an informed decision on the possible elements of a fully functional implementation review mechanism, 16 countries have volunteered to take part in a pilot review project and share the lessons learned and experience gained with the Conference. Apart from providing the Conference with comprehensive information on review methods, the project is also designed to make ad hoc assistance available to participating developing countries to support their efforts to implement the Convention.

7. In its resolution 1/2, the Conference decided that, prior to its second session, a self-assessment checklist should be used to facilitate the gathering of information on the implementation of the Convention. In consultation with States parties and signatories, the Secretariat finalized a self-assessment checklist, the purpose of which is to collect basic information on the status of implementation of 15 selected articles from all chapters of the Convention. The checklist places emphasis on the identification of implementation gaps and the technical assistance required to fill them. A user-friendly survey software program to facilitate the response and collation processes has been developed by the Secretariat with support from a group of experts who attended a meeting organized in partnership with the International Centre for Criminal Law Reform and Criminal Justice Policy and held in Vancouver, Canada, from 9 to 11 March 2007. The self-assessment checklist can be downloaded from the United Nations Office on Drugs and Crime (UNODC) website at http://www.unodc.org/unodc/en/crime_convention_corruption.html. The expert group meeting reviewed and validated the methodology adopted by the UNODC. Information gathered through the self-assessment checklist will be presented to the Conference at its second session.

8. In its resolution 1/4, the Conference decided to establish an open-ended intergovernmental working group on asset recovery that should perform the following functions: (a) assisting the Conference in developing cumulative knowledge in the area of asset recovery; (b) assisting the Conference in encouraging cooperation among relevant existing initiatives and contributing to the implementation of the relevant provisions of the Convention; (c) facilitating the exchange of information among States by identifying and disseminating good practices; (d) building confidence and encouraging cooperation between requesting and requested States by bringing together relevant competent authorities and anti-corruption bodies and practitioners involved in asset recovery and serving as a forum for them; (e) facilitating the exchange of ideas among States on the

expeditious return of assets, including ideas on plans for providing legal and technical expertise that requesting States need in order to follow international legal procedures for asset recovery; (f) assisting the Conference in identifying the capacity-building needs, including long-term needs, of States parties in the area of asset recovery. The Open-ended Intergovernmental Working Group on Asset Recovery will meet in Vienna on 27 and 28 August 2007.

9. In its resolution 1/5, the Conference decided to establish an open-ended intergovernmental working group to advise and assist the Conference in the implementation of its mandate on technical assistance and decided that the Working Group should, inter alia, perform the following functions: (a) review the needs for technical assistance in order to assist the Conference, (b) provide guidance on priorities, (c) consider information on technical assistance needs and activities, and (d) promote the coordination of such assistance. The Conference requested the Secretariat to develop project proposals and decided that the working group on technical assistance should meet during the sessions of the Conference and should hold at least one intersessional meeting; this has been scheduled to be held from 1 to 2 October 2007 in Vienna.

10. Related to the issue of coordination of technical assistance, in its resolution 1/6 the Conference recommended that a workshop of relevant practitioners and experts be held, bringing together, inter alia, development and legal expertise related to anti-corruption policies. The main purpose of the workshop was to contribute to mutual understanding among experts in that field, discussing, inter alia, issues related to best practices and coordination. The workshop was hosted by the Government of Uruguay and held in Montevideo from 30 May to 1 June 2007; it was funded through voluntary contributions from Finland, France, Germany, Norway and the United Kingdom of Great Britain and Northern Ireland. The participants discussed the need to incorporate the United Nations Convention against Corruption in relevant development assistance programmes so as to avoid duplication and ensure consistency and the effective use of available resources. The outcome of the workshop will be submitted to the Open-ended Intergovernmental Working Group on Technical Assistance for further consideration at the second session of the Conference.

11. In its resolution 1/7, the Conference requested UNODC to invite relevant public international organizations to participate with States parties in an open-ended dialogue on the issues of privileges and immunities, jurisdiction and the role of international organizations. The Conference affirmed the commitment of the States parties to the United Nations Convention against Corruption to aligning the financial and other public integrity rules of the public international organizations to which they belonged with the principles set forth in the Convention, and commended UNODC for encouraging international organizations to follow the principles of the Convention. The Executive Director of UNODC has taken this process forward by presenting to the United Nations System Chief Executives Board a proposal to develop an integrity protocol and initiate an internal consultative process to review the internal rules and regulations of United Nations organizations and bodies with a view to aligning and harmonizing them with the principles embodied in the Convention. To that end, UNODC has developed a checklist containing those principles which are of relevance to international organizations and international civil servants to serve as a guide in that review process. A first

meeting, held for the purpose of comparing and sharing the results of the internal review and discussing the alignment of the internal rules and regulations of international organizations with the principles of the Convention, will take place in Vienna on 28 September 2007. UNODC has also asked Member States and international organizations to indicate their interest in participating in the open-ended dialogue requested by the Conference. To date, 31 countries and 18 international organizations have expressed an interest in participating in that dialogue and have already provided comments and suggestions. An informal meeting of interested States and organizations will be held in Vienna in the third quarter of 2007.

III. Coordinating international action against corruption

A. Role of the Conference of the States Parties to the United Nations Convention against Corruption

12. The Conference of the States Parties to the United Nations Convention against Corruption, with its broad and comprehensive mandate, has an active role to play as a platform for dialogue and cooperation among and action by a range of stakeholders. At its first session, the Conference demonstrated its potential by making important political decisions in key areas such as review of implementation of the Convention and asset recovery. Given the complexity and sensitive nature of those areas, a forum is required in which a thorough understanding of all the issues can be developed and an open dialogue can flourish, building and sustaining consensus. The wide membership and inclusiveness of the Conference, with developing and developed countries from all regions attending, provide the optimum conditions for developing consensus-based solutions and designing and implementing measures whose ownership will be fully shared by all countries. One component essential to the success of the endeavour, as already stressed in the Convention itself and confirmed by the Conference at its inaugural session, is technical assistance. The Conference brings together technical assistance providers with those requiring assistance and provides an opportunity for assistance providers to share information on assistance programmes in an effort to maximize impact and avoid duplication (for specific technical assistance activities carried out by UNODC to combat corruption see A/62/126, Strengthening the United Nations Crime Prevention and Criminal Justice Programme). The Conference provides an opportunity for developing countries and countries with economies in transition to learn from each other, exchange information on good practices and experiences and establish bilateral contacts for future use. In the area of international cooperation in general, and in particular in the area of asset recovery, the Conference can also play a role as a neutral forum in which countries can pursue consultations to advance cooperation in concrete ways.

B. Efforts to combat corruption made by other organizations

1. International Group for Anti-Corruption Coordination

13. The International Group for Anti-Corruption Coordination (IGAC), launched in 2002 on the initiative of the Deputy Secretary-General, is a platform for coordination and cooperation at the international level. In conjunction with the first session of the Conference of the States Parties to the United Nations Convention against Corruption, UNODC organized the ninth meeting of IGAC, which was attended by 20 organizations active internationally in anti-corruption policy, enforcement and advocacy, including the Office of the United Nations High Commissioner for Human Rights Special Rapporteur on corruption and its impact on the enjoyment of human rights, the United Nations Development Programme, the World Bank, the International Monetary Fund, the Council of Europe, the Organization for Economic Co-operation and Development (OECD), the African Development Bank and Transparency International. The meeting reviewed the resolutions adopted by the Conference of the States Parties, discussed their implications for the work of IGAC and its members, and proposed a number of follow-up actions, including the development of an ethics training programme specifically designed for international public officials. IGAC members emphasized their readiness to support the work of the Open-ended Intergovernmental Working Groups on Review of the Implementation of the United Nations Convention against Corruption and on Asset Recovery, and of the Open-ended Interim Working Group of Government Experts on Technical Assistance, which were established by the Conference of the States Parties. IGAC members also agreed to cooperate in developing and implementing awareness-raising campaigns to mark International Anti-Corruption Day on 9 December 2007, and in organizing side-events during the second session of the Conference of the States Parties with a view to further bringing to bear the views, proposals and other input of the various stakeholders.

2. International Association of Anti-Corruption Authorities

14. The idea of establishing an international association of anti-corruption authorities was initiated at the High-Level Political Conference for the Purpose of Signing the United Nations Convention against Corruption, held in Merida, Mexico, in December 2003. In April 2006, representatives of international organizations and anti-corruption authorities and UNODC gave their support to the establishment of the International Association of Anti-Corruption Authorities, which held its first annual conference and general meeting in Beijing in October 2006. The objectives of the Association are, inter alia, to promote the effective implementation of the United Nations Convention against Corruption, as well as international cooperation, relationships and coordination among anti-corruption authorities. Membership of the organization is open to government anti-corruption authorities, as well as to individuals experienced in anti-corruption research or practice. The Association plans to hold its second annual meeting in Indonesia in November 2007.

15. The First Annual Conference and General Meeting of the International Association of Anti-Corruption Authorities was attended by 137 countries and 12 international organizations. In its formal declaration, the Conference recognized the urgent need for accurate and objective data on the occurrence of corruption and

its impact, urged anti-corruption authorities to devote attention to the collection and analysis of relevant data and information, and invited UNODC to develop the necessary tools for the accurate and objective measurement of corruption. The Conference further called upon States to apply the provisions of the United Nations Convention against Corruption and be guided by them when deciding to establish anti-corruption authorities or amend the current terms of reference and mandate of existing bodies. The Conference invited the Conference of the States Parties to give high priority to the streamlining of the various initiatives on asset recovery and stressed the urgent need to build knowledge and strengthen capacity on that matter, especially among developing countries and countries with economies in transition.

3. Cooperation through other entities

16. The coordination of international anti-corruption activities has further been addressed through the cooperation of UNODC with a number of international anti-corruption entities and associations. The Global Organisation of Parliamentarians against Corruption, founded in 2002, is an international network of parliamentarians dedicated to good governance and combating corruption throughout the world. UNODC participated in its Second Global Conference, held in Arusha, Tanzania, from 19 to 23 September 2006. UNODC also cooperates closely with the U4 Anti-Corruption Resource Centre, which aims at assisting the development agencies of Canada, Germany, the Netherlands, Norway, Sweden and the United Kingdom to more effectively address corruption challenges through their development support. U4 defines its role as a platform to share country and sectoral experiences and to facilitate a dialogue about the most appropriate modalities in individual sectors and country-specific settings. The Network on Governance of the OECD Development Assistance Committee, which aims at improving the effectiveness of donor assistance in governance and in support of capacity development, counts on substantial input from UNODC. In the context of a joint project on corruption prevention to foster small and medium-sized business development, UNODC and the United Nations Industrial Development Organization held an expert group meeting that included representatives of international organizations and the business community to identify the challenges posed by corruption in the private sector, in particular to small and medium-sized enterprises, and to propose tools and measures to address those challenges most effectively.

IV. Magnitude of corruption and of transfers of assets derived from corruption and impact of corruption and such transfers on economic growth and sustainable development

17. Corruption and the transfer of assets of illegal origin derived from corruption are among the most severe problems for economic growth, governance and sustainable development. However, since corruption is of a clandestine nature, it is rarely properly documented or reported. Methodologies to measure corruption draw either on the perceptions of relevant stakeholders or on institutional features that curb or enhance corruption: the Worldwide Governance Indicator developed by the World Bank Institute uses perceptions of governance, including the control of

corruption;[1] the Transparency International Corruption Perception Index shows perceived levels of corruption; and the Bribe Payers Index (also compiled by Transparency International) evaluates the propensity of firms from industrialized countries to bribe abroad.[2] Such instruments help to bring to prominence the omnipresence and multifaceted nature of corruption. Recently, an interesting debate has begun about whether a phenomenon such as corruption and, more importantly, its impact can realistically continue to be measured in ways that are indirect or rely exclusively on perceptions. The Conference of the States Parties is likely to follow this debate with keen interest at its second session. The mandate and composition of the Conference present significant potential for the issue to be thoroughly analysed with a view to identifying feasible and acceptable solutions.

18. These conceptual questions notwithstanding, what is indisputable is that, although all countries are vulnerable to corruption, its negative impact is most prevalent in low-income countries. Corruption undermines opportunities for sustainable economic growth and impedes the effectiveness of foreign aid. It creates an unstable environment for doing business and raises the cost of successful business performance. For example, estimates suggest that in the construction sector, bribes can represent from 5 to 30 per cent of the overall cost of a project.[3] Bribes constitute unofficial taxes of uncertain amount on all business transactions, making investment a risky and expensive undertaking. The Foreign Investment Advisory Service, a multi-donor service of the International Finance Corporation and the World Bank, in its latest "Doing Business" survey, established a direct relation between perceived corruption and the willingness to start a new business.[4] Corruption is also a source of inequality: those possessing greater financial power dispose of the means to obtain a greater quantity of — and better-quality — goods or services by corrupt means.

19. Large-scale corruption, in particular where high-ranking government officials are implicated, can involve immense wealth, which is commonly diverted from countries. Proceeds of corruption that are transferred abroad thus constitute a substantive part of capital flight throughout the world. Empirical data on this form of crime and on possible remedies are as yet scarce and contradictory. Some believe that between 20 and 40 billion United States dollars acquired by grand corruption in developing countries have been laundered and transferred abroad over the years;[5] others believe that that amount is being transferred abroad each year,[6] and one oft-quoted figure is that, in Africa, 148 billion dollars are lost annually to corrupt

[1] Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi, *Governance Matters V: Aggregate and Individual Governance Indicators for 1996-2005*, World Bank Policy Research Working Paper series, No. 4012 (Washington, D.C., World Bank, 2006). The aggregate and underlying individual governance indicators are available at www.govindicators.org.

[2] Both indices are available at www.transparency.org.

[3] Transparency International, *Preventing Corruption on Construction Projects: Risk Assessment and Proposed Actions for Project Owners* (March 2005). Available at www.transparency.org.

[4] World Bank and International Finance Corporation, *Doing Business in 2006: Creating Jobs* (Washington, D.C., 2006). Available at http://www.doingbusiness.org.

[5] The Nyanga Declaration on the Recovery and Repatriation of Africa's Wealth Illegally Appropriated and Banked or Invested Abroad was signed on 4 March 2001 by representatives of Transparency International in Zimbabwe (available online at www.transparency.org).

[6] Raymond Baker and others, "Dirty money and its global effects", *International Policy Report*, January 2003.

practices, representing 25 per cent of African gross domestic product.[7] Whatever the accurate figure may be, even the most conservative estimates indicate a problem of alarming scope. The diversion of assets derived from corruption leaves behind impoverished public budgets, hampers the establishment of transparent economic institutions and destroys trust in institutions and financial systems. Returning assets not only helps to recover the stolen wealth of a country, but also to develop and strengthen its institutions and rebuild much-needed trust.

V. Asset recovery

A. Impact of the United Nations Convention against Corruption

20. The United Nations Convention against Corruption is the first legal instrument to provide the international community with a body of provisions for asset recovery. Asset recovery is "a fundamental principle of the Convention", with parties agreeing to afford one another "the widest measure of cooperation and assistance", as set out in article 51. The text of the Convention places emphasis on effective mechanisms to prevent the laundering of the proceeds of corrupt practices (article 14) and on the recovery of assets diverted through corrupt practices (chapter V, articles 51-59). Some provisions contain requirements that are specific to asset recovery, such as article 53 on measures for direct recovery of property and article 57 on the return and disposal of assets. Article 57 is a milestone in asset recovery and was one of the most complex provisions during the negotiation process of the Convention because it introduced for the first time the concept of return of assets in their entirety. The combination of new provisions such as this, which do not exist in any other international legal instrument, with more traditional, established provisions, such as those on international cooperation for the purpose of confiscation, creates a dynamism that offers enormous potential. That dynamism is further enhanced by the links between chapter V and the other chapters of the Convention. For example, the provisions on the prevention and detection of transfers of proceeds of crime in article 52 complement the rules on measures to prevent money-laundering in article 14, while the provisions on international cooperation for purposes of confiscation in articles 54 and 55 are closely related to chapter IV on international cooperation, in particular mutual legal assistance. Altogether, these provisions and links provide a unique and innovative framework for asset recovery. However, much will depend on effective implementation by States parties.

21. One of the challenges in making the Convention operational is the lack of systematic knowledge. Asset recovery is a recent field of international law and international cooperation, and expertise is as yet scarce and often costly. Experience with the most innovative provisions of the Convention does not yet exist. Comparative research, comprehensive documentation and the building of a knowledge base on challenges and successful practices are crucial to the full and efficient implementation of these provisions. Systematic assessments of specific

[7] Jack Smith, Mark Pieth and Guillermo Jorge, "The Recovery of Stolen Assets: A Fundamental Principle of the UN Convention against Corruption", *U4 Anti-Corruption Resource Centre Brief*, vol.2, February 2007.

needs should be undertaken as a matter of priority by all relevant actors. Once such assessments had been carried out, a matrix of needs and initiatives could be constructed, which would provide a basis for the determination of policy priorities and the identification of shortcomings in global action for asset recovery.

22. By implementing the Convention, Member States can overcome a series of legal problems that have in the past rendered asset recovery difficult and hazardous. The Convention offers a legal framework to overcome frictions between different systems. It can, if States parties so choose, provide a legal basis for legal assistance in the absence of a treaty, and it addresses the important issues of direct recovery and voluntary disclosure of information. As time is essential in asset recovery, the Convention can also help to establish more efficient proceedings that are more likely to be successful.

23. However, some of the challenges of asset recovery do not even stem from legal problems, but from the practical challenges of complex and lengthy proceedings. The necessity for parallel proceedings in various jurisdictions extends the duration of cases, absorbs resources and renders the process inefficient. Due to their complexity, asset recovery proceedings are expensive. They are resource-intensive within existing in-house structures as they require structures capable of dealing with cases of exceptional scope and complexity. Governments also require highly specialized legal expertise, which is most likely to be found in the private sector and is often costly. Defendants are typically willing to pay high sums for their legal representation, using the very funds they looted from treasuries, whereas Governments often cannot afford the same level of expertise.

24. In the light of these practical challenges, the Conference of the States Parties agreed on a two-pronged approach. In the long term, the success of asset recovery efforts will greatly depend on the capacity of justice systems and their ability to cooperate effectively. Well-functioning criminal justice systems in requesting countries are of vital importance, as are efficient and transparent preventive policies in both requesting countries and financial centres. The necessary institutional reforms should also be designed to build trust and establish partnerships for the prevention of the looting of assets and for successful asset recovery. While addressing long-term needs, the urgent need for short-term assistance must not be neglected. The provision of short-term legal assistance for cases that are ongoing or at the planning stage will be essential. It will be necessary to build a knowledge base, to review the normative and legislative frameworks and the need for institutional change and to build expertise, supported by a broad alliance of practitioners from multiple disciplines, as well as from academia.

B. Current and prospective initiatives on asset recovery

25. Asset recovery has risen very quickly to the top of the agenda in anti-corruption policies, attracting interest among policymakers, practitioners and the international community. A number of initiatives on asset recovery have been launched or are at the planning stage. Their success will greatly depend on effective cooperation and the swift exchange of experiences and lessons learned.

26. UNODC and the World Bank have launched a Stolen Asset Recovery (StAR) initiative, which was discussed at the margins of the annual spring meetings of the

World Bank and the International Monetary Fund, on 14 April 2007. The two organizations will forge partnerships with other agencies to ensure that the initiative results in a global effort. The initiative was welcomed by the Group of Eight (G-8) Finance Ministers at their meeting in Potsdam, Germany, on 19 May 2007.

27. The joint initiative of the two institutions takes the United Nations Convention against Corruption as a basis for the future work programme, giving special importance to ratification and implementation. Asset recovery is regarded as a challenge for both developed and developing countries, and a global partnership is considered necessary to combat the transfer of proceeds of corruption abroad and to facilitate repatriating looted assets to the countries of origin. The StAR initiative calls for actions that reduce barriers to asset recovery, strengthen the legal and financial systems in requesting countries and bring civil society and the media into the process. Elements of a future work programme include activities to persuade all jurisdictions to ratify and implement the Convention, assist developing countries to build capacity for mutual legal assistance requests, and develop partnerships to share information and experiences.

28. The International Centre for Asset Recovery (ICAR), which is part of the non-profit Basel Institute on Governance and began operation in early 2007, specializes in interdisciplinary research and policy advice on asset recovery. ICAR cooperates closely with UNODC. On 21 March and 14 May 2007, it hosted two asset recovery meetings for the purpose of obtaining an informal exchange of views on ongoing and upcoming donor activities. ICAR and UNODC also cooperated in the organization of a seminar on asset recovery, held on 15 and 16 May 2007. The seminar analysed recent notable asset recovery cases and the results achieved, obstacles encountered and lessons learned, and explored what could have been achieved had the United Nations Convention against Corruption been in force and applied in those cases.

29. The Commonwealth Working Group on Asset Repatriation was established in 2004 in order to maximize cooperation and assistance among Governments and to prepare a report with specific recommendations for the advancement of effective action in that area. The report was presented at the Meeting of Commonwealth Law Ministers and Senior Officials, held in Accra from 17 to 20 October 2005, and contained specific recommendations regarding domestic legislation and institutional reforms in Commonwealth countries. From 23 to 25 January 2007, the Commonwealth Secretariat conducted a training workshop on asset recovery and international cooperation in anti-corruption investigations in Abuja.

30. The G-8 first addressed asset recovery on 11 May 2004, at a meeting of the Ministers of Justice and Home Affairs, then on 10 June 2004, at the Sea Island Summit attended by Heads of State. It was agreed that accelerated response teams and case-specific coordination task forces should be established, and that asset recovery workshops would be held at the regional level. An asset recovery workshop was held in Nigeria in 2005 to discuss practical steps to help African countries repatriate stolen assets. At its Heiligendamm Summit, held from 6 to 8 June 2007, the G-8 reiterated its commitment to effectively combat corruption by, inter alia, supporting the ratification and implementation of the United Nations Convention against Corruption, ensuring that developing countries could obtain access to and develop technical expertise for asset recovery, developing measures to prevent individuals from gaining access to the fruits of their criminal activities and

urging financial centres to implement the highest standards of transparency and exchange of information and to fight against money-laundering. The G-8 committed itself to holding further regional workshops on asset recovery and to providing developing countries with enhanced capacity-building assistance.

31. The Council of the European Union decided in 2007 that each Member State of the European Union should set up or designate a national asset recovery office in order to facilitate the tracing and identification of proceeds of crime and other crime-related property, and should ensure that those offices cooperated with each other by exchanging information both upon request and spontaneously. Those offices will complement the Camden Asset Recovery Inter-Agency Network, an informal network of judicial and law enforcement expert practitioners in the field of criminal asset tracing, freezing, seizure and confiscation, established in 2004 at The Hague. It currently has 45 members, including 39 countries, States and jurisdictions and 6 international organizations.

32. In the context of the preparations for the second session of the Conference of the States Parties, a regional seminar entitled "Making international anti-bribery standards operational: asset recovery and mutual legal assistance" will be hosted by the Corruption Eradication Commission of Indonesia and held from 5 to 7 September 2007 in Bali, Indonesia. It will address the legal and institutional challenges of asset recovery, mutual legal assistance, the tracing, freezing, confiscating and repatriating of assets, lessons learned from case studies and the needs of and priorities for the Asia-Pacific region. In addition, a number of initiatives for training and capacity-building have been initiated or planned on a bilateral basis.

VI. Conclusions and recommendations

33. The Conference of the States Parties to the United Nations Convention against Corruption took a number of significant steps at its inaugural session, thereby charting a thoughtful and rational course for the future, thanks to the continuing strong political will of Member States. In order to consolidate the achievements of the first session and maintain a steady pace on that course, the same level of commitment must be invested in the second session of the Conference and participating countries must be prepared to engage in substantive dialogue and ready to reach consensus on key issues, which are not lacking in political sensitivity or complexity. It will be important to fully support the Conference in its ambitious workplan and demanding mandate.

34. Asset recovery will continue to be a priority. It is an area where success will depend on the ability of the Conference to focus on substantive issues and avoid any unnecessary politicization of the matter. It will be important to approach the implementation of the provisions of the Convention with a full appreciation of the complexity of the related actions and a willingness to invest time, energy and resources in identifying the best possible ways forward, principal among them being ways of fostering mutual trust, confidence and strengthened cooperation. Equally important will be participation by States that optimally combines substantive expertise, practical experience and political decision-making power.

35. The rapid and continuing increase in the number of parties to the Convention offers hope that it will soon become fully operational, in line with the aspirations and expectations of Member States. Every effort should be made to put the provisions of the Convention into operation. In that context, the General Assembly may wish to encourage Member States to support the work of the Conference of the States Parties and its efforts to ensure the implementation of the Convention.